



Mission

The Missouri Public Service Commission (PSC) regulates investor-owned public utilities operating in Missouri. The PSC has the statutory responsibility for ensuring that customers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders with the opportunity to earn a reasonable return on their investment. The PSC must balance a variety of often competing private interests to ensure the overall public interest.

Jurisdiction and Goals

The Missouri Public Service Commission was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. Today, the PSC regulates over 1,000 investor-owned electric, natural gas, telephone, and water and sewer utilities. In addition, the PSC regulates the state's 48 rural electric cooperatives and 42 municipally-owned natural gas utilities for operational safety. The PSC also regulates the manufacturers and dealers of manufactured and modular homes.

The PSC also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities as well as investor-owned water and sewer utilities and public water supply districts. Under federal law, the PSC acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because



PSC Commissioners meet twice weekly in agenda sessions--open to the public--to discuss, consider evidence and vote on pending utility cases.

utilities fulfill these essential needs, the PSC must assure the ratepaying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

Commissioners

The PSC consists of five commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the Chair who serves in that capacity at the pleasure of the Governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The PSC is both quasi-judicial and quasi-legislative. The PSC is responsible for deciding cases brought before it and for the promulgation of administrative rules and their enforcement. Many of the PSC's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Hearings are



conducted in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The PSC must render decisions in a timely manner to afford all parties procedural and substantive due process, and to comply with statutory time limits.

The PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The Staff participates as a party in all cases before the PSC. It conducts audits of the books and records of utilities and makes recommendations to the PSC as to what type of rate increase, if any, should be granted. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the PSC in reaching a decision in a complaint case or rate case. The PSC has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

PSC Electronic Filing and Information System Project (EFIS)

The PSC EFIS system was implemented in April 2002. Faster service and improved processing efficiency brought about significant gains in productivity and improved customer satisfaction. Instead of walking to and from filing cabinets all day, PSC staff can now retrieve and archive information from their desks using a common Web browser to access a customized Web portal that connects employees to a central content repository. The new Web portal solution drives the agency's business processes and enables the automation and management of Web-based content. The time it takes to respond to requests and inquiries from utility companies and consumers has been reduced

from weeks or months to a day or less. As a result, the PSC staff can handle workload more efficiently and enhance their ability to achieve the agency's core business mandates. EFIS also permits consumers and the media to have, at their fingertips, access to all public testimony and exhibits filed in cases before the Commission.

"The Missouri Public Service Commission is the first state government utility regulator in the nation to offer this level of Web-enabled business process capability," stated Gay Smith, project manager.

Baseline Awareness Survey

Since 2000, the Missouri Public Service Commission, through its Public Education Survey Team, has worked with the Center for Advanced Social Research at the University of Missouri-Columbia on the development and implementation of a baseline awareness survey. This survey has provided the Missouri Public Service Commission with valuable information on name recognition, how people perceive the Commission, what they know about the agency as a whole and what they think of the type of service and rates of the utility companies that provide them with water, natural gas, telephone, sewer and/or electricity.

Recently, the Center for Advanced Social Research completed a second survey for the PSC. One thousand twenty-nine randomly selected interviews were completed via the telephone from December 4, 2001 to February 3, 2002. Trained interviewing and supervising staff at the Center for Advanced Social Research at UMC conducted the interviews.

Some 2002 General Survey Results:

- Awareness of the Missouri Public Service Commission is high as nearly 75% of those surveyed said they had heard of the PSC.
- About two-thirds (66%) knew citizens could file utility complaints with the Commission.
- The majority of those surveyed were satisfied with their utility service and fairness in rates.

- Nearly 91 percent of those surveyed showed confidence in the safety of their utility services. Responses included “ultimately government will control the issues” or “I have no reason to be worried about the safety.”
- Approximately 75% of those who attended a Commission hearing in the past three years were satisfied with the way the hearings were conducted.
- Most of the citizens who were engaged in contacting the Commission indicated satisfaction with the outcome of their contact with the PSC.



The Missouri Public Service Commission held several local public hearings around the state to address a wide variety of topics, including rate requests and service quality issues.

General Conclusions/Recommendations:

- The 2002 survey results suggest the PSC is making significant progress toward achieving goals of informing consumers of the PSC’s work and accomplishing quality utility services.
- Increased publicity and alternatives for communicating with the public are needed for local public hearings using various mediums (print, radio, television).
- Increase public awareness of the PSC and issues by using Public Service Announcements, billboards, talk show forums, etc.
- Increase education of the ratepayers of tomorrow.

The Commission’s Public Education Survey Team continues to work with the University of Missouri-Columbia regarding various survey recommendations.

Local Public Hearings

The Missouri Public Service Commission often holds local public hearings throughout the state to receive customer comment on a rate request before the Commission. Customers are also encouraged to attend local public hearings to give the Commission information on any service-related problems they might be having.

During fiscal year 2002, the Commission held a number of local public hearings including ones in St. Louis, Raytown, Warrensburg, Foristell and Linn. These hearings addressed a wide range of issues from rate requests and service quality issues to the building of a proposed electric transmission line.